



Exempt Action Final Regulation Agency Background Document

Agency name	DEPT OF MEDICAL ASSISTANCE SERVICES
Virginia Administrative Code (VAC) citation	12 VAC 30-80-40
Regulation title	Methods and Standards for Establishing Payment Rates---Other Types of Care: Reimbursement for Pharmacy Services
Action title	Reduction of Pharmacy Dispensing Fee
Final agency action date	
Document preparation date	

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, the *Virginia Register Form, Style, and Procedure Manual*, and Executive Orders 36 (06) and 58 (99).

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The section of the State Plan for Medical Assistance that is affected by this action is Methods and Standards for Establishing Payment Rates—Other Types of Care: Reduction of Pharmacy Dispensing Fee (12VAC30-80-40).

The purpose of this action is to decrease the fee paid by Medicaid for the dispensing of drugs by pharmacy providers. This change is in response to a specific mandate from the 2009 General Assembly in the Appropriations Act, Chapter 781 Item 306 WW.

Effective since May 1, 2006, the Department of Medical assistance Services (DMAS) has reimbursed pharmacists \$4.00 for every drug prescription they filled for Medicaid recipients. The 2009 General Assembly directed the agency to decrease the dispensing fee paid to pharmacists from \$4.00 to \$3.75 per prescription per month.

The adjustment in Medicaid payments for prescription drugs will not affect Medicaid recipients directly in any way. The advantage of the reduction of the pharmaceutical dispensing fee is mainly to the Commonwealth in that it reduces expenditures for pharmaceutical services. The disadvantage to enrolled pharmacy providers is that this change will reduce their payment from Medicaid. However, DMAS does not anticipate that this \$0.25 change will have a negative significant impact.

This action meets the exemption provided by the *Code of Virginia* §2.2 – 4006 (A) (4) (a) because it conforms the attached regulations to the requirement of Chapter 781 Item 306 WW of the *2009 Appropriation Act* and does not materially differ. Additionally, the Agency has no discretion concerning the implementation of this mandated requirement.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

I hereby approve the foregoing Regulatory Review Summary with the attached amended State Plan pages (12 VAC 30-80-40) and adopt the action stated therein. I certify that this final regulatory action has completed all the requirements of the Code of Virginia § 2.2-4012, of the Administrative Process Act. I hereby certify that these regulations are full, true, and correctly dated.

Date

Patrick W. Finnerty, Director

Dept. of Medical Assistance Services

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

These changes do not strengthen or erode the authority or rights of parents in the education, nurturing, and supervision of their children; or encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents. It does not strengthen or erode the marital commitment, but may decrease disposable family income depending upon which provider the recipient chooses for the item or service prescribed.

